

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 0 - 0 0 7

2. STATE:

Indiana

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2000

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY 2000 \$ 0
b. FFY 2001 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A, Addendum pages 1-13

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

Attachment 3.1-A, pages 1(a), 2(a), 2(b), 3(a), 3(b), 3a(a), 4(a), 4(b), 5(a), 5(b), 6(a), 6(b), 6(c), 7(a), 7(b), 7(c), 7(d), 8(a), 8(b), 8a(a), 9(a)

10. SUBJECT OF AMENDMENT:

Update and reformat Attachment 3.1-A descriptions of coverage limitations

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Kathleen D Gifford

14. TITLE:

Assistant Secretary, OMPP

15. DATE SUBMITTED:

9/29/00

16. RETURN TO:

Kathleen D. Gifford, Asst. Secretary
Office of Medicaid Policy & Planning
402 West Washington, Room W382
Indianapolis, Indiana 46204
ATTN: Tracy Brunner, Plan Coordinator

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

9/29/00

18. DATE APPROVED:

12/13/00

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

7/1/00

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Cheryl A. Harris

22. TITLE: Associate Regional Administrator
Division of Medicaid and Insurance Oversight

23. REMARKS:

RECEIVED
SEP 29 2000
HEALTH CARE FINANCING ADMINISTRATION
INDIANAPOLIS, INDIANA

1. Inpatient Hospital services Provided with limitations.
Inpatient hospital services are covered when provided or prescribed by a physician and when the services are medically necessary for the diagnosis or treatment of the recipient's condition, subject to the limitations set out in 405 IAC 5.

- 2.a. Outpatient Hospital services Provided with limitations.
Outpatient hospital services are covered when provided or prescribed by a physician and when the services are medically necessary for the diagnosis or treatment of the recipient's condition, subject to the limitations set out in 405 IAC 5.

- 2.b. Rural Health Clinic services Provided with limitations.
Reimbursement is available to rural health clinics for medically necessary services provided by a physician, nurse practitioner, or appropriately licensed, certified or registered therapist employed by the rural health clinic. Coverage is subject to the limitations set out in 405 IAC 5.

- 2.c. Federally Qualified Health Center services Provided with limitations.
Reimbursement is available to FQHCs for medically necessary services provided by licensed health care practitioners, subject to the limitations set out in 405 IAC 5.

3. Other Laboratory and X-ray services Provided with limitations.
All laboratory and x-ray services must be ordered by a physician or other practitioner licensed to do so under state law, and provided subject to the limitations set out in 405 IAC 5.

- 4.a. Nursing Facility services for individuals 21 Years of Age or Older
Provided with limitations.
Reimbursement is available for skilled and intermediate nursing services provided by a licensed and certified nursing facility in accordance with 405 IAC 1-14.1, when rendered to a recipient whose level of care has been approved by the Medicaid agency.
- 4.b. Early and Periodic Screening, Diagnosis and Treatment
Provided in excess of federal requirements.
Treatment services are covered subject to prior authorization requirements specified in 405 IAC 5. Reimbursement is subject to the limitations set out in 405 IAC 5.
- 4.c. Family Planning services
Provided with limitations.
Reimbursement is available subject to the limitations set out in 405 IAC 5.
- 5.a. Physicians' services
Provided with limitations.
Reimbursement is available for medically necessary and reasonable services provided by a doctor of medicine or osteopathy for diagnostic, preventive, therapeutic, rehabilitative or palliative services provided within the scope of the practice of medicine, as defined by Indiana law, and subject to the limitations set out in 405 IAC 5.
- 5.b. Medical and Surgical services furnished by a dentist
Provided with limitations.
Reimbursement is available only for those dental services listed in 405 IAC 5-14, subject to the limitations set out in 405 IAC 5.
- 6.a. Podiatrists' Services
Provided with limitations.

Subject to the limitations set out in 405 IAC 5, reimbursement is available within the scope of the practice of podiatry as defined by Indiana law. Covered services include diagnosis of foot disorders and mechanical, medical or surgical treatment of these disorders.

- 6.b. Optometrists' services Provided with limitations.
Reimbursement is available for optometric services subject to the limitations set out in 405 IAC 5. Optical supplies are covered when prescribed by an ophthalmologist or optometrist and when dispensed within the limitations set out in 405 IAC 5.

- 6.c. Chiropractors' services Provided with limitations.
Coverage is limited to 5 visits and 50 therapeutic physical medicine treatments per recipient per year. Reimbursement is subject to the limitations set out in 405 IAC 5. Reimbursement is not available for any chiropractic service provided outside the scope of IC 25-10-1-1 et seq., and 846 IAC 1-3-1 et seq., or for any chiropractic service for which federal financial participation is not available.

- 6.d. Other Practitioners' services Provided with limitations.

 - Nurse Practitioners' services Reimbursement is available for medically necessary, reasonable and preventive health care services provided by a licensed, certified nurse practitioner within the scope of the applicable license and certification.

 - Diabetes Self Management and Training services Reimbursement is limited to a total of sixteen units (15 minutes each) per recipient, per rolling calendar year. Additional units may be prior authorized. Services must be medically necessary; provided by health care professionals who are licensed, registered or certified under applicable Indiana law and who have specialized training in the management of diabetes; and ordered in writing by a physician or podiatrist.

 - Smoking Cessation Treatment services Reimbursement is available for smoking cessation counseling when prescribed by one of the following licensed practitioners within the scope of his or her license under Indiana law and within the limitations set out in 405 IAC 5:
 - (1) a physician
 - (2) a physician's assistant
 - (3) a nurse practitioner
 - (4) a registered nurse
 - (5) a psychologist
 - (6) a pharmacist.

 - Psychologists' services Reimbursement is available for outpatient mental health services provided by a psychologist endorsed as health services provider in psychology (HSPP), subject to the limitations set out in 405 IAC 5.

- 7. Home Health services Provided with limitations.
Reimbursement is available subject to the limitations set out in 405 IAC 5.

- 7.a. Intermittent or part-time nursing services provided by a home health agency or by a registered nurse when no home health agency exists in the area Subject to the limitations set out in 405 IAC 5-22, reimbursement is available when intermittent or part-time nursing services are ordered by a physician and provided in accordance with a plan of treatment developed by the attending physician. No reimbursement will be made for care provided by family members or other individuals residing with the recipient.

- 7.b. Home health aide services provided by a home health agency Coverage is subject to the limitations set out in 405 IAC 5-16. Reimbursement is available subject to the limitations set out in 405 IAC 5.

- 7.c. Medical supplies, equipment, and appliances suitable for use in the home Reimbursement is available subject to the limitations set out in 405 IAC 5.

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- 7.d. Physical Therapy, Occupational Therapy, or Speech Pathology and Audiology services provided by a home health agency or medical rehabilitation facility
- Provided with limitations. Reimbursement is available only for medically necessary therapy. Therapy rendered for diversional, recreational, vocational, or avocational purpose, or for the remediation of learning disabilities or for developmental activities that can be conducted by nonmedical personnel, is not covered. Therapy must be prior authorized and provided in accordance with the limitations set out in 405 IAC 5.
8. Private Duty Nursing
- Provided with limitations. Reimbursement is available for services rendered by registered nurses, licensed practical nurses and home health agencies who are Medicaid providers, subject to the limitations set out in 405 IAC 5.

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9. Clinic services Provided with limitations.
Reimbursement is available subject to the limitations set out in 405 IAC 5.
10. Dental services Provided with limitations.
Reimbursement is available only for those dental services listed in 405 IAC 5-14, subject to the limitations set out in 405 IAC 5.
11. Physical Therapy and Related services Provided with limitations.
Reimbursement is available only for medically necessary therapy services, subject to the limitations set out in 405 IAC 5. Therapy provided for diversional, recreational, vocational, or avocational purpose, or for the remediation of learning disabilities or for developmental activities which can be conducted by nonmedical personnel, is not covered.
- 11.a. Physical Therapy Reimbursement is available subject to the limitations in 405 IAC 5.
- 11.b. Occupational Therapy Reimbursement is available subject to the limitations in 405 IAC 5.
- 11.c. Services for individuals with speech, hearing and language disorders (provided by a speech pathologist or audiologist) Reimbursement is available subject to the limitations set out in 405 IAC 5.
- 11.d. Respiratory Therapy services Reimbursement is available subject to the limitations set out in 405 IAC 5.

- 12.a. Prescribed Drugs Provided with limitations.
Reimbursement is available for prescribed drugs subject to the limitations set out in 405 IAC 5. The following are not covered: anorectics or any agent used to promote weight loss; topical minoxidil preparations; fertility enhancement drugs; drugs prescribed solely or primarily for cosmetic purposes. All over-the-counter and non-legend items are subject to the limitations set out in 405 IAC 5-24.
- In accordance with Section 4401 of P.L. 101-508 (Omnibus Budget Reconciliation Act of 1990), Indiana Medicaid will fully participate in the manufacturer rebate program. In doing so, all applicable provisions and restrictions of the legislation, as well as that of any subsequent rules and/or regulations, will be strictly adhered to. Specifically, Indiana Medicaid will reimburse for all rebating manufacturers' (as identified to the agency by HCFA) products fully in accordance with the specifications of the legislation. The program will also adhere to all reporting requirements of the legislation.
- 12.b. Dentures Not provided.
Through 1/31/96, Medicaid will continue to reimburse for services prior authorized before 8/1/95, provided the prior authorization is valid for the date of service and the service is furnished on or before 1/31/96.*
- * In accordance with the opinion of the Court of Appeals of Indiana in Coleman v. Indiana Family and Social Services Administration and in Thie v. Davis, et al., Medicaid coverage of dentures, subject to Prior Authorization (PA), is reinstated effective 4/23/98, and coverage of partial dentures is reinstated effective 10/30/97. PA is subject to criteria in 405 IAC 1-6 and 1-7 that were in effect prior to 8/1/95.
- 12.c. Prosthetic devices Provided with limitations.
Prior review and authorization by the agency is required for all basic prosthetic components and repairs. Reimbursement is subject to the limitations set out in 405 IAC 5.
- 12.d. Eyeglasses Provided with limitations.
Reimbursement is available subject to the limitations set out in 405 IAC 5.
13. Other diagnostic, screening preventive and rehabilitative services Provided with limitations.
- 13.a. Diagnostic services Reimbursement is available subject to the limitations set out in 405 IAC 5.

13.b. Screening services Reimbursement is available subject to the limitations set out in 405 IAC 5.

13.c. Preventive services Reimbursement is available subject to the limitations set out in 405 IAC 5.

13.d. Rehabilitative services Reimbursement is available subject to the limitations set out in 405 IAC 5. All services must be medically necessary. Educational services are not covered. All therapies provided in a rehabilitation center must be provided in accordance with 405 IAC 5-32-1 through 3.

13.d.1. Community Mental Health Rehabilitation services Reimbursement is available for community mental health rehabilitation services, which are defined as:
(1) Outpatient Mental Health services. Refers to mental health clinical services provided to individuals, families, or groups of persons who are living in the community and who need aid on an intermittent basis for emotional disturbances of mental illness including but not limited to, diagnostic assessment; pre-hospitalization screening; individual, conjoint or family counseling/ psychotherapy; crisis intervention; medication/somatic treatment; and training in activities of daily living. Components include: (A) clinical attention in the home, work place, mental health facility, emergency room, or wherever urgently needed; and (B) may include the emergency provision of chemotherapy, first aid or other medical care.
(2) Partial Hospitalization services. Partial hospitalization services refers to a group activity program provided two or more hours per day for individuals who need less than full-time hospitalization but more extensive and structured treatment than on an intermittent, hourly basis, and provided in the following manner: (A) provided on part-days, evenings or weekends; and (B) provided by a clinical team.
(3) Case Management services. Refers to those services described in Supplement 1 to Attachment 3.1A, pgs 7-10.

Limitations. Medicaid will reimburse for community mental health rehabilitation services when:

- (a) provided to a person requiring mental health services;
- (b) provided by personnel who meet appropriate federal, state and local regulations for their respective discipline or are under the supervision/direction of a qualified mental health professional; and

- (c) provided through a mental health center that meets applicable federal, state and local laws concerning the operation of community mental health centers, including but not limited to licensure, certification, organization, staffing, service provision, maintenance of health records, quality assurance and program evaluation;
- (d) provided by mental health providers approved by the Department of Mental Health under IC 16-16-1 and in accordance with 440 IAC 4-1 through 6.

The supervising physician or health service provider in psychology (HSPP) bears the ultimate responsibility for certifying the diagnosis and plan of treatment. The supervising physician or HSPP is responsible for seeing the patient during the intake process or reviewing information submitted by the qualified mental health professionals and approving the initial treatment plan within seven days. The supervising physician or HSPP must see the patient or review the treatment plan submitted by the qualified mental health professional at intervals not to exceed ninety days. These reviews must be documented in writing.

A qualified mental health professional is defined as:

- (1) a psychiatrist
- (2) a physician
- (3) a licensed psychologist or a psychologist endorsed as a health service provider psychology (HSPP)
- (4) an individual who has had at least two years of clinical experience treating persons with mental illness, under the supervision of any of the persons listed above in (1), (2), or (3), such experience occurring after the completion of a master's degree or doctoral degree, or both, in any of the following disciplines:
 - (a) in psychiatric or mental health nursing from an accredited university plus a license as a registered nurse in Indiana
 - (b) in social work from a university accredited by the Council on Social Work Education
 - (c) in psychology from an accredited university
 - (d) in mental health counseling from an accredited university
 - (e) in pastoral counseling from an accredited university

- (f) in rehabilitation counseling from an accredited university
- (g) in marital and family therapy from an accredited university.
- (5) a licensed independent practice school psychologist, under the supervision of the persons listed above in (1), (2), or (3),
- (6) an individual who has documented education, training, or experience, comparable or equivalent to those listed in this subsection, as approved by the supervising physician or HSPP, under the supervision of any of the persons listed above in (1), (2), or (3)
- (7) an advanced practice nurse under IC 25-23-1-1(b)(3) who is credentialed in psychiatric or mental health nursing by the American Nurses Credentialing Center, under the supervision of any of the persons listed above in (1), (2) or (3).

14. Services for individuals age 65 or older in institutions for mental diseases Provided with limitations.

14.a. Inpatient hospital services Reimbursement is available for medically necessary services in an inpatient psychiatric facility only when the recipient's need for admission has been certified in accordance with the applicable requirements set out in 405 IAC 5-20-5. Reimbursement is available for emergency admission only in cases of a sudden onset of a psychiatric condition manifesting itself by acute symptoms of such severity that the absence of immediate medical attention could reasonably be expected to result in danger to the individual, danger to others, or death of the individual. Reimbursement is subject to the limitations set out in 405 IAC 5.

- 15.a. Intermediate Care Facility Services
Provided with limitations.
Reimbursement is available for services provided by a certified intermediate care facility for the mentally retarded (ICF/MR), subject to the limitations set out in 405 IAC 5. Such services must be provided in accordance with IC 12-15-32, 42 CFR 483.400-480, and 405 IAC 5.
- 15.b. Including such services in a public institution for the mentally retarded
Provided with limitations.
Reimbursement is available for services provided by a certified intermediate care facility for the mentally retarded (ICF/MR), subject to the limitations set out in 405 IAC 5. Such services must be provided in accordance with IC 12-15-32, 42 CFR 483.400-480, and 405 IAC 5.
16. Inpatient Psychiatric Facility Services for Individuals under 21
Provided with limitations.
Medicaid prior authorization is required for inpatient psychiatric facility services for individuals under 21. Reimbursement is subject to the limitations set out in 405 IAC 5.
17. Nurse-Midwife Services
Provided with limitations.
Coverage is restricted to services that a certified nurse-midwife is legally authorized to perform. Reimbursement is available subject to the limitations set out in 405 IAC 5.
18. Hospice Care
Provided with limitations.
Medicaid reimbursement is available for hospice services subject to the requirements set out in 405 IAC 1-16 and the limitations set out in Indiana Medicaid's covered services rule at 405 IAC 5.

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| 19. | Targeted Case Management For Persons with HIV | <p>Provided with limitations.
Coverage is limited to a maximum of 32 hours per calendar quarter per recipient. Reimbursement is subject to the criteria set out in the Care Coordination Services section of the Indiana Health Coverage Programs Provider Manual.</p> |
| | For Pregnant Women | <p>Targeted case management services are limited to one initial assessment per pregnancy, one reassessment per trimester following the trimester in which the initial assessment is completed and one postpartum assessment per child per pregnancy. Mileage reimbursement is limited to a maximum of two round trips per initial assessment and reassessment completed and one round trip per postpartum assessment completed.</p> |
| | For Individuals identified as Seriously Mentally Ill or Seriously Emotionally Disturbed | <p>Targeted case management services are limited to those provided by or under the supervision/direction of a qualified mental health professional who is an employee of a provider agency approved by the Division of Mental Health under IC 12-25. Reimbursement is subject to the limitations set out in 405 IAC 5.</p> |
| 20. | Extended Services for Pregnant Women | <p>Provided with limitations.</p> |
| 20.a. | Pregnancy-related and postpartum services for 60 days after the pregnancy ends | <p>Coverage is limited to legend and non-legend drugs, prescribed for indications directly related to the pregnancy and routine prenatal, delivery and post-partum care, including family planning services. Additionally, transportation services, to and from the aforementioned services, will be provided. Payment for pregnancy-related services is subject to prior authorization in accordance with the guidelines set out in 405 IAC 5.</p> |
| | Additional services provided to pregnant women only | <p>Case management services as described in #19 above.</p> |
| 20.b. | Services for any other medical conditions that may complicate pregnancy | <p>Reimbursement is available subject to the limitations set out in 405 IAC 5. A service for any other medical condition that may complicate pregnancy is a service provided to a pregnant woman for the treatment of a chronic or abnormal disorder, as identified by ICD-9 diagnosis codes 630 through 648.9 and 652 through 676.9, as well as urgent care. Urgent care means a service provided to a pregnant woman after the onset of a medical condition manifesting itself by symptoms of sufficient severity that the absence of medical attention could reasonably be expected to result in a deterioration of the patient's condition, or a need for a higher level of care.</p> |

- 23. Pediatric or Family Nurse Practitioners' services
Provided with limitations. Reimbursement is available for medically necessary and preventive health care services provided by a licensed, certified nurse practitioner within the scope of the applicable license and certification, subject to the limitations set out in 405 IAC 5.
- 24. Any other medical or remedial care recognized by state law
Provided with limitations.
- 24.a. Transportation services
Transportation services are covered subject to the limitations set out in 405 IAC 5-30-1. Reimbursement is available for up to twenty one-way trips, of less than 50 miles, per recipient per rolling 12-month period. Additional trips, and trips of 50 miles or more one way, are subject to prior authorization. Emergency ambulance and trips to/from a hospital for inpatient admission/discharge are exempt from the numeric cap and do not require PA.
- 24.b. Services of Christian Science Nurses
Provided within the limitations of 42 CFR 440.170(b).
- 24.c. Care and Services Provided in Christian Science
Provided within the limitations of 42 CFR 440.170(c).
- 24.d. Skilled Nursing Facility Services for Patients under 21 Years of Age
Reimbursement is available for skilled nursing services provided by a licensed and certified nursing facility in accordance with 405 IAC 1-14.1, when rendered to a Medicaid recipient whose level of care has been approved by the Medicaid agency.

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